

the shipping traffic lanes through the Strait of Hormuz.

For example, in June 2006, the threat of Iran obtaining a nuclear weapon created quite a stir among New York traders, and that drove the price of oil up to nearly \$80 a barrel. In 2007, five armed Iranian boats approached three U.S. Navy warships in international waters, taking aggressive actions. The Pentagon described it as "reckless and dangerous." The incident only lasted about 20 minutes. As a result, there was a brief spike in oil prices as soon as that was reported on CNN.

The reality is that a country such as Iran can have an effect on the price of oil. What we need to do is get away from that kind of situation. The same thing is true of Russia. I talked about this the other day. Russia has a tendency when it wants—by the way, it is the second largest producer ahead of Saudi Arabia—when it wants to affect the price of oil or national policy, it can cut off the supply of oil or natural gas, and that can result not only in shivers running through the countries of Europe, particularly Eastern Europe which relies on this natural gas and oil, but also affects the world price.

I note that Gazprom, which is Russia's natural gas monopoly, controls a lot of other things as well. Its former chairman is Dmitry Medvedev, the new President of Russia. It alone accounts for 25 percent of the country's tax revenues. So this is a major deal.

Russia has used Gazprom as a political tool in more than one situation when it affected Ukraine after that nation allegedly failed to pay debts to Russia, or other European countries, such as the Czech Republic when it said it would cooperate with the United States in missile defense.

Let me conclude with Venezuela. President Chavez of Venezuela has repeatedly threatened to cut off oil from that country. A 2006 GAO report stated this cutoff could amount to increased oil prices of \$11 per barrel and would cut American GDP by \$23 billion.

The point here is that the United States needs to gain more control over its own destiny. We are the third largest producer in the world. We have vast resources of natural gas and crude oil, as well as other resources, such as coal, uranium, and others, but we have an aversion to produce in this country because of the not-in-my-back-yard problem associated with wherever that production might be. As a result, Republicans have proposed legislation that would remove the moratoria that currently preclude production and provide incentives to States to permit offshore. Even though it is far off of their State limits, in Federal waters, it would at least provide an incentive for them to agree to production offshore, thus enhancing American production and more control over our own destiny.

That is the point I want to conclude with. It is time to gain control of our own destiny. It will enable us to affect the prices ourselves by producing more and, thus, reducing prices, not relying so much upon other countries, which

can adversely affect the price by withholding production or creating conflict in the world. It will enable us to develop the resources safely in an environmental way, because we know how to do that. We know we can't conserve our way out of the problem. We know the so-called renewables can only meet a small fraction of our needs. And we further know that regulating speculators is not going to produce one additional drop of oil. So that is why Republicans have focused on more energy production—American energy for American consumers—as a way to become less energy dependent and affect the price in a meaningful way, a way which could permit us, as we saw last week, to drastically reduce the price of oil almost overnight if Congress were to pass this legislation.

I urge my colleagues, when we take this matter up, as Senator BOND said, to permit a full and free debate, and amendments that we have to offer here, so at the end of the day Congress can complete our work over the next couple of weeks by passing meaningful legislation to reduce the cost of oil and, therefore, importantly for American consumers, the price we pay at the pump.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator may state his inquiry.

Mr. DOMENICI. Is the Senator from New Mexico recognized at this point?

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, I ask unanimous consent that when I have completed my remarks, the distinguished senior Senator from Illinois be recognized.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, tomorrow morning, the Senate will begin the process of moving to debate energy legislation—at least that is what we are told, and we hope we do in fact have a good, honest debate about energy and that we on this side, which constitutes 49 Senators out of the 100, have an opportunity to offer 1 or 2 or 3, or some reasonable number, of amendments so as to make the case for the American people that in fact we want to produce more energy; that we want to both save energy and produce more; and we have every reason to believe that can be done.

With that in mind, we open the discussion, we begin the debate that should end up in a number of days of discussion on real energy legislation. And when I say real, I think the American people have awakened to the idea that Congress should and can pass legislation that will produce more oil for the consumption of the world and America, and thus have the strong potential for dropping the price of gasoline, lowering the price of gasoline at the pump. So we are here to begin the debate, a debate on how we might lower the price of gasoline at the pump by using less and producing more.

Now, before I talk about my prepared remarks, I am going to say it is common knowledge in the oil and gas industry of America and the world that offshore—off the shores of the United States—be it California or Georgia, there exist large quantities of natural gas and crude oil, and that there are ways today to discover precisely where that oil is and to build platforms that are impregnable, onto which the apparatus is moved for the drilling of oil, and that from one such platform 10 or 12 major wells can be drilled underground—way down, many feet, in fact miles below the surface—to produce oil and gas for the American people.

As we begin this debate, it is interesting to note that it has been 26, almost 27 years that these offshore oil and gas reserves owned by the American people have been locked up in a moratorium, either congressional or Executive. We note the other day the President lifted his moratoria, wherever they were around the United States. He lifted them. So what is left is the congressionally imposed, 1 year at a time—and we have imposed it for 26 years—moratorium on using this valuable resource because we were frightened and scared about the damage it might cause, the harm that might be caused by going out and drilling in the deep waters off the coasts of our country.

We have since found out, without question—during this 27 years of getting oil elsewhere and expecting oil to be cheap—we found out during that period of time that we can indeed locate and find and drill for and produce and deliver oil and gas from the bottom, way down deep from the bottom of the coastal waters of America. Huge quantities of oil and gas can be removed, can be piped out, with no damage and no danger to anyone. That was proven with Katrina. When Katrina happened, America had a number of platforms, deep-water platforms in existence, because some parts of the offshore were open and yielded large quantities of oil and gas. None of them was disrupted. None of them was broken. None of the pipes were broken, and no environmental damage occurred from one of the most severe problems that came with Katrina and the hurricane that followed, as we all know.

Experts now tell us the price Americans are paying at the pump is the result of global oil supply and demand imbalance. Having worked as a leader on energy legislation for 36 years in the Senate, I can honestly say I have never seen a problem so big being met with proposals and proposed solutions that are so small. Again, experts tell us it is a supply and demand problem and the legislation that will be before the Senate does nothing to address supply and demand.

Americans are clamoring for more energy production at home. They know